



CYNTHIA A. HARDING, M.P.H.
Interim Director

JEFFREY D. GUNZENHAUSER, M.D., M.P.H.
Interim Health Officer

313 North Figueroa Street, Room 708
Los Angeles, California 90012
TEL (213) 240-8156 • FAX (213) 481-2739

www.publichealth.lacounty.gov



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November 6, 2015

TO: Each Supervisor

FROM: Cynthia A. Harding, M.P.H.
Interim Director

A handwritten signature in blue ink that reads "Cynthia A. Harding".

SUBJECT: **NOTIFICATION OF INTENT TO REQUEST DELEGATED AUTHORITY TO
APPROVE INCREASES OR DECREASES OF GREATER THAN 10 PERCENT
OF THE ANNUAL CONTRACT AMOUNT**

This is to notify you that the Department of Public Health (DPH) intends to request delegated authority to increase or decrease funding up to 50 percent above or below the contract's annual base maximum obligation for providers who are recommended for funding under DPH's HIV/AIDS Biomedical Prevention Request for Statement of Qualification (RFSQ) released on July 23, 2015.

This notice is being sent in accordance with Board Policy 5.120, which states that prior Board notice is required for any Department requesting delegated authority to increase Board-approved contracts by over 10 percent.

Background

On July 23, 2015, DPH released an RFSQ to secure a Master Agreement for licensed medical facilities to provide biomedical HIV prevention services, such as pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) to populations at high risk for HIV infection. In Los Angeles County, gay, bisexual, and other men who have sex with men (MSM) remain the population most heavily affected by HIV infection. Transgender persons and other populations with ongoing risk behaviors are also at high risk for HIV infection. Heterosexual women make up the second largest group of new HIV infections in Los Angeles County after MSM, while injection drug users continue to become infected with HIV at an elevated rate and have an ongoing high risk of acquiring HIV. The goal of the contracts under this RFSQ is to offer additional HIV prevention methods, beyond traditional prevention modalities such as sexual health education, HIV and STD testing, and condom distribution, to help reduce new HIV infections.

PrEP is a potent new biomedical prevention tool, intended for use by HIV-negative persons at high risk of acquiring HIV infection. PrEP treatment guidelines require the oral antiretroviral medication to be taken by an individual on a daily basis. If taken as directed, PrEP can reduce the risk of HIV infection by up to 96%. PEP is also a biomedical prevention tool for HIV-negative persons, but it is taken after a high risk HIV exposure. PEP is comprised of a 28-day course of

an antiretroviral medication, started within 72 hours of potential HIV exposure, and it is administered to reduce the chance of an individual becoming HIV-positive.

All contractors recommended for a Master Agreement will have met all the minimum qualifications of the RFSQ, including experience providing biomedical and/or HIV medical services and experience operating service delivery locations in Los Angeles County. Contractors will also possess all required licenses and certificates and maintain the ability to bill third-party payers.

Justification for Delegated Authority to Increase or Decrease Funding Amounts

Through the use of Master Agreements, DPH will be able to conduct Work Order Solicitations (WOS) to select contractors to provide biomedical HIV prevention services. DPH is requesting a 50 percent delegated authority for forthcoming providers selected as a result of the WOS process. While biomedical interventions, including PrEP and PEP, are increasingly critical components of Los Angeles County's overall HIV prevention strategy, they are a novel HIV prevention tool whose demand has not been fully realized. As consumer awareness increases and community norms around PrEP use continue to evolve, demand for the services may increase beyond DHSP's initial projections. Therefore, both DHSP and the agencies serving high risk clients must be able to meet changes in demand over time. The delegated authority requested in this memo will allow DHSP to respond quickly to such increases in demand and expand services as needed to meet the needs of high risk populations.

In the last month, Los Angeles County received confirmation of a \$1.9 million award from the Centers for Disease Control and Prevention (CDC) to expand biomedical prevention to high risk groups, including MSM of color and transgender persons. DHSP anticipates that this may be followed by other funding opportunity announcements that will allow Los Angeles County to further expand biomedical prevention options. DPH is requesting delegated authority of 50 percent to accommodate the possible increased investments to this service without requiring multiple Board approvals and potential delays in service provision. If approved, the 50 percent delegated authority will enable DPH to amend the contracts in the future to allow for the provision of additional units of funded services to address client demands and any program service modifications that may be recommended by the CDC or through local HIV planning bodies.

DPH will continue to seek County Counsel review and approval on all delegated authority actions, with notification to your Board and the Chief Executive Office.

Timeline

The Board letter requesting approval to enter into the Master Agreement and delegated authority is projected for the Board meeting on December 8, 2015.

If you have any questions or would like additional information, please let me know.

CAH:MJP:mc
DA#03392

c: Chief Executive Officer
Interim County Counsel
Acting Executive Officer, Board of Supervisors